

their behalf and supposedly in their interests. It is amazing to me that the President, when we are facing the highest tax burden in American history, would be talking about another \$91 billion of net taxes.

Let me talk about the tobacco settlement. The President is counting on \$65 billion of revenues coming from the tobacco settlement and, except for a tiny amount—\$800 million which is spent on Medicare—this \$65 billion goes to an array of new spending programs that have absolutely nothing to do with the tobacco settlement. I want to remind my colleagues and anyone who is interested in this issue that the whole logic of the tobacco settlement is that the tobacco companies, by selling tobacco to consumers, and through the health effects of smoking, have imposed a massive cost on the Federal taxpayer. But where has that cost occurred? It has not occurred in child care, it has not occurred in new school buildings, it has not occurred in the cost of new teachers—it has occurred in mounting costs for Medicare. Interestingly enough, while the States are big beneficiaries in their Medicaid Program from the tobacco settlement, for every \$1 of cost imposed on Medicaid by people smoking in the past, there have been perhaps \$6 of costs imposed on Medicare.

So I believe if we have a tobacco settlement, that money ought to be put to a noble cause and that cause is saving Medicare, not just for our parents but for our children. I don't think we ought to take money in the name of reimbursing the taxpayer for medical care costs that have been borne through Medicare and spend that money on other things. I believe, if there is a tobacco settlement, that the money ought to go to save Medicare and I intend, as chairman of the subcommittee with jurisdiction over Medicare, to fight to see that any tobacco settlement goes to Medicare, that it doesn't just become a grab bag to fund new Government programs that have nothing to do with the health effects of tobacco.

The President says that he wants to use the surplus to save Social Security. No. 1, I think the President's words ring hollow when you note that he is busting the spending caps that we agreed to last year in a bipartisan budget. I am sure some of my colleagues will remember that I thought the spending level was too high in last year's budget. In fact, last year in writing that budget we broke the spending caps of the budget that President Clinton had pushed through Congress in 1993. But now the President is already trying to break the agreement that we adopted last year, and I reject that.

Finally, I don't know how the President can claim to be saving Social Security when the Social Security system will pay in \$600 billion more into the Social Security trust fund than will be spent on Social Security, and the President spends \$400 billion of the

\$600 billion. I believe we need to set up a program to take that \$600 billion and invest it in Social Security by making real investments that are owned by the individual worker so that young Americans will have some chance of getting some benefits from Social Security.

So I believe the President's budget breaks the agreement that he entered into with Congress last year. The President's budget breaks the spending caps. The President's budget proposes the largest increase in spending contemplated by Government since he proposed having the Government take over and run the health care system. The President proposes the largest tax increase, \$91 billion, larger than the tax cut from last year—he proposes the largest tax increase contemplated by our Government since 1993. The President takes \$400 billion that will be paid into the Social Security trust fund and spends it on general Government under this budget. I believe that should be stopped.

Finally, if we have a tobacco settlement, the money ought to go to save Medicare, it ought not to go to fund general Government.

So, I believe the President is breaking the deal that he made with Congress. I believe your word is your bond on these matters.

I am opposed to the President's budget. I think we should hold the line on spending. I think whatever surpluses we have, A, we ought not to do anything with them until we have them, and, B, when we do have them, we should use them to make real investments so that our young workers will have some benefit from Social Security, a program that they will pay into their entire working lives. I yield the floor.

The PRESIDING OFFICER (Mr. KYL). Will the Senator from Texas suggest the absence of a quorum?

Mr. GRAMM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. THOMAS. Mr. President, on behalf of the leader, I ask unanimous consent that there be a period for morning business until 2 p.m., with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. I would like to speak up to 10 minutes.

The PRESIDING OFFICER. The Senator is recognized.

ISTEA FUNDING

Mr. THOMAS. Mr. President, we have had this afternoon several Members rise to talk about ISTEA funding. I rise to support the things that they have said. One of the most important bills that we passed in our committee last year, and I think one of the most important elements before us now in the Senate, is the funding of the Intermodal Transportation Act.

We worked a great deal last year. I happen to be on the Committee on Environment and Public Works, and we came up with an extension of the ISTEA bill, which expired last year, by the way. Now, of course, we are operating on a temporary arrangement, which makes it very difficult for State highway departments to make the contracts that are necessary. I think it is particularly important for States like Wyoming and the northern part of the country, where you have a relatively small short contracting and construction time, that we move to pass this bill so that the States will know what money is available to them.

There should have been approval last year, other than an extension. Unfortunately, we couldn't come to an agreement with the House. Furthermore, right here in the Senate, as I recall, there were some things that were brought up that kept us from considering ISTEA. But now it is time to do that.

We also have before us a proposal to extend the authority for spending, to use more of the dollars that are collected, and I agree with that. I have not yet become a sponsor of it, but I, frankly, propose to be. We have been spending in the neighborhood of \$21 billion a year on ISTEA, but Federal taxes have been raising more like \$27 billion. Now, of course, as a result of last year's budget, we converted the 4.3-cent tax, having gone to the general fund, to now go to the highway fund. I support that idea. So it is time for us to do that.

I am concerned, of course, that we do it within budget guidelines. I am not interested in breaking the budget caps by simply spending. I know when you have a unified budget, if you are going to spend more money here, you have to make arrangements on the other side, too, which restricts spending. I am for that.

I think it is necessary for us to do it. I am sorry that it has been postponed. It was my understanding that it would be the first item of business to be considered or early, at least, in this session. I know there is controversy now with the budgeteers in terms of how that works, but this is an authorization, as I understand it. It is not an expenditure, of course. It authorizes what will then be put together by the budgeteers and appropriators.

Mr. President, I certainly want to endorse the notion that there is nothing more important or nothing that needs to be dealt with more currently than the idea of expanding ISTEA. I hope